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ABSTRACT

Drawing data from both governmental and nongovernmental sources, this pamphlet makes the case that many people are now excluded from postsecondary education because of increasing tuition and other student charges at state and community colleges. Eight facts concerning tuition and college-going rates are documented: (1) the percentage of high school graduates going to college is generally lower in states with high tuition; (2) the percentage of veterans receiving benefits under the G.I. Bill who go to any college has generally been low in states with high tuition; (3) many students at public colleges have parents who can provide little or no financial assistance and must earn a substantial part of their college expenses; (4) most Americans, including the great majority of minority and working class students, are dependent on low-tuition public colleges for an education; (5) lowering tuition increases the number of students going on to college; (6) students from low-income families are more likely to go to college when tuition is reduced; (7) very few families have adequate funds to meet college costs; and (8) current federal and state student aid programs are not adequate to meet the needs of students from either lower-income or middle-income families. (Author/LAL)

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Low Tuition

FACTBOOK

Eight Basic Facts About Tuition and Educational Opportunity

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JC 830 507

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1

The percentage of high school graduates going to college is generally lower in states with high tuition.

2

The percentage of veterans receiving benefits under the G.I. Bill who go to any college has generally been low in states with high tuition.

3

New research data show that a great many students at public colleges have parents who can provide little or no assistance. They earn a substantial part of their college expenses, and are very dependent on low tuition.

4

Most Americans, including the great majority of minority and working-class students, are dependent on low-tuition public colleges for an education.

5

A University of Wisconsin study found that lowering tuition increases the number of students going on to college.

6

A Stanford Research Institute study shows that students from low income families would be more likely to go to college if tuition were reduced.

7

Bureau of Labor Statistics calculations of family budget levels indicate that very few families have adequate funds to meet college costs.

8

Current federal and state student aid programs are not adequate to meet the needs of students from either lower-income or middle-income families. Inflation has eroded the family ability to pay for college.

Each of the above facts is documented in this pamphlet. Each shows why there is a growing concern across the nation that tuition and other student charges are too high for many American students and families.

Introduction

For over 150 years, the American people have supported the principle that tuition should be kept as low as possible at public institutions: state universities and colleges; technical, community and junior colleges; and postsecondary vocational schools.

The reasons are obvious. Most Americans have seen low-tuition higher education as an extension of the free public elementary and secondary school system; an extension that becomes all the more necessary as the complexity of modern society increases. This system has resulted in a generally well-educated population, which has made the United States one of the most productive and the most technologically advanced countries in the world. Universal free or low-cost education is seen by most Americans as one of the fundamental safeguards of our democratic way of life.

Through low-tuition colleges, millions of Americans have risen occupationally and financially and made a greater contribution to our society and to the economy in the form of higher federal, state, and local tax payments. Research also shows far more individual and social stability among the college educated; lower rates of poverty, unemployment, and crime; and far less dependence on costly government social services.

Unfortunately, even today many qualified people are excluded from the benefits of higher education because of the high cost of college. But the G.I. Bill after World War II, the widespread growth of public as well as private college education, and the beginnings of a national student aid system have been steps toward guaranteeing that those qualified can pursue secondary education regardless of their economic circumstances.

The single most important limitation on higher education opportunity is student charges. Hard-pressed governors and state legislators have raised tuition and other charges as a way of balancing state budgets, sometimes in the mistaken belief that "there is enough student aid to take care of anyone who wants to go to college," or that "fewer people want to go, anyway."

The overwhelming majority of Americans—working class, lower- and middle-income people, white and nonwhites—still want for themselves and their children education and training in accordance with their abilities and interests. Yet there is no organized political effort to work effectively for low tuition, to make possible educational opportunity for all, or to fight for adequate higher education appropriations, which are necessary to make low tuition and quality education possible.

This pamphlet brings together data from governmental and nongovernmental sources to make the case that many people now are kept out of college because of student charges, especially tuition; and that a major effort is needed to help reverse the trend toward higher student charges and reduced opportunity. America's third century holds serious challenges and great promise. It is no time for Americans to turn their backs on over 150 years of progress toward universal opportunity for education beyond the high school level.

1

The percentage of high school graduates going directly on to any college is generally low in states with high tuition.

A person's chances of going to any college vary enormously depending on the state and locality in which he or she lives. The percentage of high school graduates going directly on to *any* college is generally lower in states where tuition is high and where students lack opportunities to attend geographically convenient, open access institutions.

For example, in states such as California, Arizona, Connecticut, and Rhode Island, public college tuition is relatively low, and the proportion of high school graduates going on to college relatively high. In high-tuition states such as Maine, Vermont, and New Hampshire, the proportion going on is relatively low.

SOURCE: Jacob O. Stampen, *Patterns in Undergraduate Enrollment Growth Among State Colleges and Universities*, AASCU, 1976.

2

The percentage of veterans receiving benefits under the G.I. Bill who go to any college is generally low in states with high tuition.

Data for veterans attending any college by state are especially illustrative. In states with low tuition and geographic accessibility to college, such as California and Arizona, a very high percentage of veterans have gone to college. In high-tuition states, such as Vermont, and those without easy geographic access to a low-tuition college, a considerably smaller percentage of veterans have attended.

The Educational Testing Service studied this issue in depth and came to the conclusion that access to low-tuition public colleges is the principal reason why many more veterans go on to college in some states than they do in others.

The veterans' experience also throws some doubt on the value of student aid, as opposed to low tuition, as the principal way to help students attend college. The present basic G.I. Bill allotment of $342 a month, which could be considerably higher for veterans with families, is far more generous than any federal or state student aid program. But even this aid is not enough to encourage veterans to attend college in many high-tuition states.

SOURCE: Report of Educational Testing Service, Princeton University, on Educational Assistance Programs for Veterans, U.S. House Committee on Veterans Affairs, September 1973.

3

New research data show that a great many students at public colleges have parents who can provide little or no assistance. They earn a substantial part of their college expenses, and are very dependent on low tuition.

These data come from a recent University of Wisconsin study, which revealed that of public college students receiving student aid one-half have family incomes below the poverty line (now about $9,200 for a family of four). For students receiving some family help, average family income was $16,500.

Over two-thirds of self-supporting or independent students have incomes below $6,000. The average self-supporting student in 1981-82 needed about $6,000 a year for college and living costs, and was often an older person helping to support a family. Such a student received no help from family, earned about $450 in college work-study, and contributed other earnings of about $1,900. He or she also received about $1,400 in grants, mostly Pell grants, and borrowed about $700.

The average person getting family help faced college costs of about $3,800 a year, received about $469 from parents, and earned about $500. He or she received about $1,000 in grants and borrowed about $700.

Minority students generally received less family help than white students. For example, the average black student at a public four-year college received about $180 from his or her family, the average Hispanic student about $142, and the average white student about $600.

Even with the grants and loans for which they might qualify, these students must have access to low tuition colleges and universities in order to obtain a college education.

SOURCE: Jacob O. Stampen, *Student Aid and Public Higher Education: A Progress Report.* American Association of State Colleges and Universities, American Association of Community and Junior Colleges, and National Association of State Universities and Land-Grant Colleges, 1983.

4

Most Americans, including the great majority of minority and working-class students, are dependent on low-tuition public colleges for an education.

Public universities, colleges, and community colleges provide education and training for about 80 percent of all those in college, about 9,500,000 students. In 30 states, more than four-fifths of all college students attend public colleges; in most other states, a majority do so.

About 80 percent of minority students attend public colleges. So do most "first generation" college students, the first members of their families to attend college.

For the growing numbers of students who are older—25 to 30 and often over 30—part-time attendance, usually at a public college, is the only way in which they can advance themselves.

SOURCE: National Center for Educational Statistics, unpublished data, 1983.

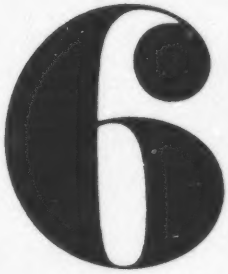
5

A Wisconsin study shows that lowering tuition increases college attendance.

The University of Wisconsin system in 1973-74 carried out one of the few experiments ever made in this country to study the effect of tuition changes on enrollment. The state lowered tuition sharply at two of the two-year centers of the Wisconsin system (from $429 a year to $80 a year) while holding tuition constant at all other two-year centers, colleges, and universities. The result: a remarkable enrollment increase of 47 percent at one center and 23 percent at the other! For every one percent reduction in the total cost of attending the low-fee centers there was a 1.3 percent increase in enrollment!

Further, studies of the additional students attending these centers revealed that for the most part they would not have attended any other college. In other words, the centers were not "taking away" students from any other college, but enrolling those who otherwise could not have attended at all.

SOURCE: University of Wisconsin System, Office of Special Projects, April 1974.



A Stanford Research Institute study shows that students from low-income families would be much more likely to go to college if tuition were reduced.

The Institute study found that for every $100 decrease in tuition, institutional enrollments would increase more than one percent among students from families earning more than $12,000 annually, and more than seven percent among students from families earning less than $6,000 annually.

Other studies by economists and social scientists have come to similar conclusions; reduced tuition increases college-going, and increased tuition has the opposite effect. Students from low- and middle-income families would, of course, be hardest hit.

Some of these studies were summarized in the reports of the National Commission on the Financing of Postsecondary Education, which included presidential appointees, members of Congress, and educators.

SOURCE: Daryl E. Carlson, "A Flow of Funds Model for Assessing the Impact of Alternative Aid Programs." Educational Policy Research Center, Stanford Research Institute. November 1975.

SOURCE: National Commission on the Financing of Postsecondary Education, U.S. Government Printing Office, 1973.

Bureau of Labor Statistics calculations of family budgets show that very few families have adequate funds to meet college costs.

Bureau of Labor Statistics data for 1981 show that families on "lower budgets," estimated at about $15,000 per year, and those on "intermediate budgets," estimated at about $25,000, have very little income left over to pay for college or other needs, after meeting basic living expenses. As the median American family income is now about $22,000 a year, it is clear that over half of all families will have great difficulty in affording college.

The total cost to the student for tuition and living expenses at many public four-year colleges and universities is more than $4,000 a year. Total costs at many public two-year colleges are now over $3,000 a year. But BLS estimates that a lower-budget family would have about $644 a year left over for education and other expenditures, and that an intermediate-budget family will have about $1,200!

The Bureau of Labor Statistics data follow:

Summary of Annual Budgets for a Four-Person Family at Three Income Levels

Budget Item	1981 Lower Budget	1981 Intermediate Budget	1981 Higher Budget
Total budget	$15,323	$25,407	$38,060
Family consumption	11,425	17,045	23,036
Food	4,545	5,843	7,366
Housing	2,817	5,546	8,423
Transportation	1,311	2,372	3,075
Clothing	937	1,333	1,947
Personal care	379	508	719
Medical care	1,436	1,443	',505
Miscellaneous	621	1,021	1,718
Social security and disability	1,036	1,703	1,993
Personal income taxes	1,596	4,443	9,340
Total family consumption	14,678	24,211	36,087
Remainder for other items **including education**	**644**	**1,196**	**1,972**

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, February 1983.

8

Current federal and state student aid programs are not adequate to meet the needs of students from either lower-income or middle-income families. Inflation has eroded the family ability to pay for college.

Some spokesmen have urged that student financial problems be resolved not by keeping tuition down but by raising federal and state student aid. Unfortunately, many studies have shown that the need for student aid is far greater than available funds. One recent study emphasizes the fact that inflation has seriously eroded the overall ability to pay for college despite dollar increase in student aid.

Carol Frances, an economist with Coopers and Lybrand, has produced data showing that the cost of living has risen so that families have far less discretionary income for college—"tuition has risen from under one-third to over two-thirds of discretionary income in the last decade." Federal, state, and local taxes have also increased as a share of family income, leaving less discretionary income.

It has also become far more difficult to work one's way through college, Frances shows, because of the massive increase in college costs.

There are further problems with student aid, essential as it is for many students. One problem is that many families receive very little aid, sometimes none. Most aid programs are properly concentrated on the poor. If tuition is increased to "capture federal and state student aid dollars," as is happening in some states, a few of the poor may gain more than they lose, but most working-class and middle-income families will simply be hit with higher charges.

SOURCE: Carol Frances, "The Effects of Inflation on Student Financial Aid Policy Results," prepared for National Commission on Student Financial Assistance, February, 1983.

Further, student aid is subject to annual political and economic pressures. The formulas, available funds, and application procedures tend to change each year as new forces struggle for control of student aid policy in both houses of Congress, the federal bureaucracy, state governments, and among private bankers. Each year, there are possibilities of major changes in student aid which may or may not benefit particular groups and institutions.

In each recent year, there has been an actual or potential "short fall" of hundreds of millions of dollars in unmet need for federal student financial aid. A combination of political and economic factors has led to this situation, and there is every reason to believe that it will recur in the future.

Further, state student aid is falling or is threatened in some states—in some cases at the same time that tuition is rising at public colleges. Again, a combination of political and economic factors in particular states is responsible.

Political leaders—governors, legislators, members of governing boards—need to be made aware that student aid alone is not and cannot be a "substitute" for low tuition. It is only a valuable supplement.

A few advocates of high tuition have suggested that by raising tuition more funds can be "generated" or "made available" for student aid for the poor. Unfortunately, there is little reason to believe that states would reappropriate increased tuition revenues in the form of student aid, or that adequate student aid could be "generated" in this way from moderate-income students.

What is more, some spokesmen are trying to emphasize very expensive, long-term loans as the principal way to finance student aid, except for the very poor. Some of these same leaders are working hard to raise public college tuition. Those who oppose young people taking on debts of many thousands of dollars as the price of a college education have an additional reason for not relying too much on student aid, especially loans.

There is a further problem with overreliance on student aid. Much of the recent growth in higher education has been among older and often part-time students.

Most student aid programs, inadequate to meet the needs of younger students, are not designed to serve older adults, including working men and women who wish to continue their education or learn new skills. Many state student aid programs exclude part-time students, and indeed in many states they also are forced to pay much higher tuition. In other states, colleges have chosen to exclude part-time students from some federal student aid programs because of a shortage of funds. In many cases their family income levels—while moderate—are high enough so that they do not qualify for the low-income-oriented aid programs now available.

Everyone in higher education has expressed a growing interest in reaching older students, working men and women, housewives, and others who wish to return to school. Low tuition is an invaluable way to help these people, while student aid—at least in its present forms and at present funding levels—is not.

Low tuition is an investment that is repaid many times over—in the greatly increased and federal, state, and local taxes paid by college graduates, and in the increased productivity and well-being of the American people.

What can you and your organization do to help work for the principle of low tuition and the adequate appropriations for higher education which make low tuition possible? For details, contact the National Coalition for Lower Tuition in Higher Education, One Dupont Circle, Suite 700, Washington, D.C. 20036, Telephone: 202/293-7070

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